



**Testimony of Victoria Veltri
General Counsel**

**Before the Human Services Committee
In support of HB 5056, HB 5297 and SB 281
And
In Opposition to SB 220
March 2, 2010**

Good morning, Senator Doyle, Representative Walker, Senator, Representative Gibbons and members of the Human Services Committee. For the record, I am Vicki Veltri, General Counsel with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I am here today to testify on behalf of OHA, in favor of several bills. The first is HB 5056, *An Act Implementing the Milliman Report's Recommendations to Achieve Cost Savings in the Husky Program*. This bill does many things, all of which we support.

First, the projected savings from the Milliman study were incorporated last year by the Governor into her proposed biennial budget. The final budget reflected a savings of \$50 million in the Medicaid line from the expected recovery of this money from the participating managed care organizations ("MCOs") by the Department of Social Services ("DSS"). The administration has yet to recover these sums, though the Governor actually suggested the recovery. Since the administration has yet to recover the money, or to fairly explain to the legislature and the public why the recovery has not taken place, it is appropriate to place a specific statutory duty on DSS to recover the \$50 million. It does not bode well that neither DSS nor OPM has closed the deal on this budget item. Maybe clear and unambiguous direction will force compliance.

Second, replacing sealed bids with negotiated bids makes sense as a sealed bid may either qualify or disqualify a potential contractor too early in a bid process.

Third, OHA supports an annual audit of the program. It is unclear from the language of the bill whether the proposed audit would be financial or performance-based or

both. We recommend both. HUSKY is one of the biggest items in the state's budget. Although we've gained some transparency through the Freedom of Information cases and some of the reporting that the MCOs and DSS provide, we do not have an ongoing understanding of the finances of the HUSKY program. Since it is clear that there are some financial questions hanging over HUSKY, it is an appropriate time to initiate annual audits of the program, regardless of its structure. Mercer currently conducts the external quality review ("EQR") monitoring of HUSKY. Mercer has a conflict of interest in conducting the EQR since it is also the DSS actuarial services contractor. An annual performance audit can go farther than the EQR review and focus on particular areas or the entire program. (Should HUSKY be converted to an ASO model, there will still be a need for regular financial and performance audits.) Requiring yearly auditing of an \$800 million program will keep the program focused on the efficient delivery healthcare to its 400,000.

Fourth, OHA supports a statewide roll out of primary care case management ("PCCM") to allow all HUSKY and Charter Oak recipients the choice of enrolling in PCCM. Statewide enrollment should erase some of the problems that have come to light, including PCCM recipients in one town not being able to access care in a contiguous town where providers are signed up with PCCM. Opening the program statewide will undoubtedly bring more providers into the PCCM model. To the extent that there providers who treat patients in the state's public programs, it makes sense to encourage the providers to participate in both HUSKY and Charter Oak. For families who have a child in HUSKY B or A, and a parent in Charter Oak, this is common sense. Providers and consumers often have trouble telling whether they or their children are on HUSKY A, B or Charter Oak.

OHA also supports HB 5297, *An Act Concerning Statewide Expansion of the Primary Care Case Management Pilot Program*. We recommend that this bill be revised to include expansion of PCCM to the HUSKY B and Charter Oak populations.

OHA supports SB 281, *An Act Concerning Public Participation in Meetings of the Pharmaceutical and Therapeutics Committee*. This body makes decisions about which medications should and should not be included on the state's Preferred Drug List. We believe that because the committee's decisions impact approximately half of a million Connecticut residents and are of critical importance, that public comment should be allowed.

OHA opposes SB 220, *An Act Concerning the Elimination of Certain Department of Social Services Reporting Requirements*. OHA believes that while DSS has multiple reporting requirements, its multi-billion dollar budget requires this reporting and, in fact, OHA encourages the committee to require more transparency from DSS, particularly on its budget. Section 2 of the bill changes DSS' reporting time on federal sanctions or fines, from five to thirty days. When a state agency is sanctioned or fined by a federal agency, notification to the legislature should be instantaneous. Five days, however, is a reasonable window, thirty days is not. In an era in which strict accountability standards are applied to all state agencies, elimination of these reporting requirements also eliminates some of the legislature's oversight.

Thank you for your attention to my testimony. Please contact me directly with any questions at victoria.veltri@ct.gov or (860) 297-3982.